

1941/11A.

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

5th November, 1941.

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## NEW SOUTH WALES, (AUSTRALIA).

## BUSINESS STATISTICS - MONTHLY DIGEST.

NOVEMBER, 1941.

GENERAL. Since Mr. Curtin's Labour Government took office the All-Parties Advisory War Council has met and re-affirmed the war policy of the previous Government. To better deal with problems of organisation and man-power a Cabinet Production Executive comprising the Ministers of Supply, Munitions, Labour, and Organisation of Industry has been created.

The Budget for 1941-42 just introduced increases direct and indirect taxation by £22.4m. and raises expenditure (in all £325m.) by £68m. in comparison with 1940-41. The Government will require to borrow £158m. There will be no compulsory loans (as proposed in the Fadden budget) but a National Savings campaign is planned. The public is being urged voluntarily to restrict consumption and the Government will control enterprises competing with the war effort. (For further details see p. 3). The Treasurer announced that rural reconstruction is to be pressed forward and a Mortgage Bank is to be established in the New Year. Measures are being taken "effectively to control" the operations of trading banks and to prevent expansion of credit by the banks, though this probably will do little more than give statutory effect to the firm agreement made between the banks and the preceding administration.

Employment has grown rapidly, particularly in war factories. The national income, about £A749m. in 1938-39 and £A925 m. in 1940-41 is expected to reach £A1,000m. in 1941-42, and there has been, therefore, a considerable expansion of purchasing power which is reflected in buoyancy of trade and substantial increases in deposits in trading and savings banks. The banking situation is strong but official controls over investment, building, etc. restrict the use of money and credit for purposes not conflicting with the war effort. Rural prospects are better than in 1940-41 but still are not very bright.

EMPLOYMENT. There were 916,631 persons in employment in N.S.W. in the middle week of September, 1941. During the two years of war there had been an increase of 84,825. Adult males registered as unemployed decreased in number from 52,851 to 12,394 in that period. The continued expansion of the industrial war effort will call for additional labour much of which can be drawn only from hitherto non-work-seeking persons, particularly women.

## EMPLOYMENT IN NEW SOUTH WALES.

Excluding relief workers and men in the Armed Forces not on civil pay-sheets.

| Middle week<br>of - | ALL EMPLOYMENT.           |                             |                                  | EMPLOYED BY FIRMS WITH TEN OR MORE EMPLOYEES. |                      |                         |                             |                            |  |                         |
|---------------------|---------------------------|-----------------------------|----------------------------------|---|----------------------|-------------------------|-----------------------------|----------------------------|--|-------------------------|
|                     | Total<br>Employ-<br>ment. | Private<br>Employ-<br>ment. | In all<br>Factor-<br>ies. $\phi$ | Mines   | Re-<br>tail<br>Trade | Whole-<br>sale<br>Trade | Offices<br>& Com-<br>merce. | Ship'g.<br>& Rd.<br>Tnspt. | Person-<br>al Ser-<br>vices <sup>+</sup> | Other<br>Indus-<br>ries |
|                     |                           |                             |                                  |   |                      |                         |                             |                            |  |                         |
| Sept., 1939 (a)     | 838.4                     | 687.1                       | 230.7                            | 21.4  | 51.2                 | 25.5                    | 27.7                        | 21.7                       | 29.6                                     | 20.7                    |
| " 1940              | 874.1                     | 719.8                       | 250.6                            | 21.1  | 51.4                 | 25.9                    | 29.2                        | 21.9                       | 29.8                                     | 21.0                    |
| July, 1941          | 910.4                     | 746.7                       | 278.7                            | 21.0  | 54.3                 | 26.3                    | 28.9                        | 21.2                       | 31.1                                     | 17.6                    |
| Aug., "             | 912.2                     | 748.1                       | 281.3                            | 21.0  | 53.5                 | 26.2                    | 29.8                        | 21.2                       | 31.0                                     | 17.9                    |
| Sept., " (b)        | 916.6                     | 751.2                       | 285.7                            | 21.0  | 53.4                 | 26.4                    | 30.6                        | 21.4                       | 31.2                                     | 18.7                    |
| Incr. (a) to (b)    | 9.3%                      | 9.3%                        | 23.8%                            | -1.9%   | 4.3%                 | 3.5%                    | 10.5%                       | -1.4%                      | 5.4%                                     | -9.7%                   |

 $\phi$  Includes working proprietors.

+ Includes hospitals, professions, amusements, hotels, etc.

FINANCE. Relatively heavy receipts from export commodities and the cumulative effects of war expenditure financed in part by expansion of credit has caused a big increase in deposits in banks. Controls have restricted the employment of credit to essential purposes and advances have been reduced. The cash position of the trading banks in Australia is subject to considerable short-term variation (due to Government loan operations, seasonal influences, /etc.).....

etc.) but in general is strong. In September, 1941 the ratio of cash and Treasury bills to deposits was 21.7% compared with 22.6% in September, 1940. Before issuing regulations to implement its policy in relation to the banks the Government is conferring with the Commonwealth and trading banks. The latter are to deposit excess investible funds with the central bank and will be required to supply monthly returns disclosing details of their business.

The wartime growth of deposits in N.S.W. and the marked change in the credit situation is illustrated as under:-

PRIVATE BUSINESS IN PRIVATE TRADING BANKS IN N.S.W. (a).

| Quarter ended - | Deposits |         |       |          | Excess of Deposits over Advances. |
|-----------------|----------|---------|-------|----------|-----------------------------------|
|                 | Fixed    | Current | Total | Advances |                                   |
| Sept., 1938     | £m.      | 62.6    | 47.3  | 109.9    | 120.9                             |
| 1939            | £m.      | 64.6    | 50.0  | 114.6    | 124.2                             |
| 1940            | £m.      | 65.0    | 62.3  | 127.3    | 119.2                             |
| June, 1941      | £m.      | 65.8    | 69.9  | 135.7    | 113.9                             |
| Sept., "        | £m.      | 64.9    | 71.1  | 136.0    | 114.9                             |

(a) Excludes Commonwealth and Rural Banks and Government deposits and securities in private trading banks.

(-) Excess of advances over deposits.

Savings Banks. Small savings continue to increase rapidly. Deposits were £5.85m. greater in Sept. 1941 than in Dec., 1940 and in the eight months ended August the amount paid for War Savings Certificates in N.S.W. was £1.9m. Depositors held the record sum of £90.73m. in Savings Banks in N.S.W. on Sept. 30, 1941. The growth in these savings in 1941 was as follows:-

Increase in period - £000.

| Savings Deposits            | 1853        | 1013        | 772         | 1194        | 1018 | 5,850          |
|-----------------------------|-------------|-------------|-------------|-------------|------|----------------|
| " Certificates <sup>x</sup> | 550         | 851         | 299         | 196         | ?    | 1,896 +        |
|                             | <u>2403</u> | <u>1864</u> | <u>1071</u> | <u>1390</u> |      | <u>7,746 +</u> |

x Purchases (at cost) less repayments.

<sup>+</sup>Jan.-Aug. only for War Savings Certificates.

Investment. The mild boom on the Sydney Stock Exchange came to an end in mid-September; then followed a period of falling share prices and during October prices have moved somewhat irregularly. Latterly share values have eased a little in reaction to Russian reverses, the trend on Wall Street and budget proposals for heavier taxation of public companies. The Commonwealth £100m. War and Conversion loan launched on Oct. 7, 1941 may remain open until Nov. 15. In the first three weeks conversions were £50m. and cash applications were £22m. On the Stock Exchange bond prices have moved very little in recent weeks and are yielding not much above 3 p.c. per annum. Mortgage interest rates are also very steady with a slightly downward tendency. The real estate market has attracted some investors but the official control of investment and of mortgages, restriction of building, etc. are limiting speculative activities.

| MONTH.      | STOCK EXCHANGE                        |                 | INTEREST RATES.   |                              |            | Quarter ended- | REAL ESTATE. |           |  |
|-------------|---------------------------------------|-----------------|-------------------|------------------------------|------------|----------------|--------------|-----------|--|
|             | Av. Value of Ordinary Company Shares. | First Mortgages |                   | Govt. Bonds 5-10 yrs. $\phi$ |            |                | Sales        | Mortgages |  |
|             |                                       | Rural           | Urban             |                              |            |                |              | Amount    |  |
|             | Index No.<br>Par = 100.               | Wtd. Av.        | Rate<br>per cent. | Yield p.c.<br>p.ann.         |            |                | £ million.   |           |  |
| Sept., 1939 | 171                                   | 5.2             | 5.5               | 3 19 7                       | Sept. 1939 | 8.92           | 6.22         |           |  |
| Sept., 1940 | 162                                   | 5.0             | 5.6               | 3 2 0                        | " 1940     | 8.62           | 4.08         |           |  |
| July, 1941  | 168                                   | 4.9             | 5.5               | 2 18 3                       | Mar., 1941 | 7.62           | 3.80         |           |  |
| Aug., "     | 170                                   | 4.9             | 5.5               | 2 18 3                       | June, "    | 8.44           | 3.90         |           |  |
| Sept., "    | 175                                   | 4.8             | 5.5               | 2 19 0                       | Sept. "    | 8.65           | 4.26         |           |  |

 $\phi$  Part taxed. $\star$  Three months ended in month shown.

Insurance. For general insurance (excluding life assurance) premiums amounting to £7.77m. were paid in 1940-41 compared with £7.37m. in 1939-40 and £6.94m. in 1938-39. Premiums for marine insurance (£1,245,000) were 52.4 p.c. greater and there was an increase of 10.4 p.c. in Workers' Compensation. Motor car and cycle insurance premiums decreased by £239,000. Claims met in 1940-41 absorbed 51.8 p.c. of the premium income.

Public Finance. The Commonwealth budget provides for a total expenditure of £325m. (war £221.5m.) of which £167m. will come from taxation and £158m. from borrowings. Tax changes include increases on incomes above £1500 a year, (£1,200 if from property) to yield £3.4m. a year, in company tax (to yield £5m. instead of £1m.), in estate duty (yielding £650,000 more than in 1940-41), a land tax super-rate to produce about £500,000, a duty on gifts to provide about £500,000; increases in sales taxes and in customs and excise duties on beer, spirits, tobacco, matches, etc. and increased postal and telephone charges. The expenditure includes increases in service pay of 1s. a day (£7.3m. a year) and in old-age pensions to 23s. 6d. a week (and a promise of an increase to 25s. later). The Treasurer is relying upon voluntary saving and restriction of consumption to avert inflationary developments arising from greatly increased wage-earnings but will apply statutory controls over consumption of goods needed for war production.

State accounts balanced in Sept. Qr., 1941 although usually there is a substantial excess of expenditure. The State will provide £2.29m. for sinking fund this year compared with £2.14m. in 1940-41. Results for the first three months of the financial year compare as under:-

#### GOVERNMENT OF NEW SOUTH WALES.

#### THREE MONTHS ENDED SEPTEMBER.

|             |     | 1937  | 1938  | 1939  | 1940  | 1941  |
|-------------|-----|-------|-------|-------|-------|-------|
| Revenue     | £m. | 11.66 | 11.81 | 11.89 | 14.11 | 15.34 |
| Expenditure | £m. |       | 12.98 | 14.11 | 14.29 | 15.14 |

BUILDING INDUSTRY. In Sept. Qr. the value of building permits granted was 10.4 p.c. greater this year than in 1940 but 22.5 p.c. less than in 1938. In current activity house and flat building predominate and factory premises continue near record levels. Official control of building is reflected in virtual cessation of erection of hotels and city offices, curtailment of shop construction and discouragement of works such as theatres, churches, halls, etc.

/PRIVATE.....

## PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

| Quarter ended - | Houses | Flats<br>(a) | Hotels,<br>Guest<br>Houses | Shops<br>(b) | Factor-<br>ies<br>(c). | Other<br>Build-<br>ings | Total<br>Value. | Net Addi-<br>tional<br>Dwellings |
|-----------------|--------|--------------|----------------------------|--------------|------------------------|-------------------------|-----------------|----------------------------------|
|                 | £000   | £000         | £000                       | £000         | £000                   | £000                    | £000            | Number.                          |
| Sept., 1938     | 1625   | 1119         | 82                         | 172          | 220                    | 835                     | 4,053           | 3,661                            |
| " 1939          | 1527   | 906          | 92                         | 153          | 381                    | 472                     | 3,531           | 2,843                            |
| " 1940          | 1492   | 530          | 221                        | 60           | 264                    | 277                     | 2,844           | 2,244                            |
| Mar., 1941      | 1408   | 535          | 16                         | 62           | 206                    | 130                     | 2,357           | 2,175                            |
| June, "         | 1839   | 806          | 19                         | 80           | 285                    | 205                     | 3,234           | 3,001                            |
| Sept., "        | 2047   | 527          | 3                          | 31           | 416                    | 116                     | 3,140           | 2,828                            |

Includes (a) conversions to flats, (b) shops with dwellings and (c) public garages.

Contracts for public buildings in Sydney and suburbs in Sept. Qr. were £318,000 in 1940 and £438,000 in 1941. An industrial dispute of brickmakers has interrupted building activity for some weeks. Most building materials now carry sales tax at the rate of 10 p.c. instead of 5 p.c. as formerly.

TRADE AND COMMERCE. Bank clearings in Sydney in Sept. Qr. 1941 were 27 p.c. above the amount in Sept. Qr., 1939, reflecting mainly the raising and spending of war funds, and to lesser extent higher prices, wages and incomes generally. Instances of curtailment of enterprise are still limited but will multiply as more and more resources are applied to war purposes. There is evidence of freer spending in increased sales and greater employment in retail trade.

Particulars of the State's oversea trade are not available but those published for the Commonwealth display wartime modifications - curtailment of civilian imports, heavy imports of essential basic materials and war goods, and growing importance of manufactures in exports, reflecting Australia's rapidly expanding industrial war effort.

1938 1939 1940 1941

BANK CLEARINGS, SYDNEY

|                         |            |     |     |     |     |
|-------------------------|------------|-----|-----|-----|-----|
| Amount £m.              | Jan.-Sept. | 692 | 676 | 791 | 833 |
| Index No. 1926-30 = 100 | Sept. Qr.  | 99  | 99  | 117 | 124 |

RETAIL TRADE - SYDNEY

|                             |           |     |     |     |     |
|-----------------------------|-----------|-----|-----|-----|-----|
| Sales. Index No. 1931 = 100 | June-Aug. | 141 | 141 | 151 | 183 |
|-----------------------------|-----------|-----|-----|-----|-----|

SECONDARY INDUSTRIES. In Sept. 1941 the index number of factory employment in N.S.W. was 158 compared with 128 in the first month of the war. The number of persons employed (now 285,700) increased by 57,000 in the two war years and by 4,400 in the last month. Increases of over 50 p.c. in employees in industrial metals, 34 p.c. in chemicals, etc. and 28½ p.c. in rubber factories show effects of ever-increasing production of war goods. Some labour disputes have occurred but generally losses in production due to industrial stoppages have been relatively unimportant. The new Minister for Labour is reviewing the machinery for settlement of disputes.

In 42 large factories in N.S.W. sales in the eight months ended August were £8.36m. or 34 p.c. greater in 1941 than in 1939. More gas and electricity have been consumed and collieries are producing coal in record volume. Coal and share miners are to be eligible for pension and to be compulsorily retired at age 60 from Jan. 5, 1942.

/ALL FACTORIES. ....

|  | 1938 | 1939 | 1940 | 1941 |
|--|------|------|------|------|
|--|------|------|------|------|

ALL FACTORIES IN N.S.W.

|            |             |           |       |       |       |       |
|------------|-------------|-----------|-------|-------|-------|-------|
| Employment | Persons 000 | Mid-Sept. | 229.7 | 230.7 | 250.6 | 285.7 |
|------------|-------------|-----------|-------|-------|-------|-------|

42 LARGE FACTORIES

|       |           |           |       |       |       |       |
|-------|-----------|-----------|-------|-------|-------|-------|
| Sales | £ million | Jan.-Aug. | 24.82 | 24.61 | 27.44 | 32.97 |
|-------|-----------|-----------|-------|-------|-------|-------|

GAS & ELECTRICITY, SYDNEY

|                      |         |        |     |     |     |     |
|----------------------|---------|--------|-----|-----|-----|-----|
| Index of Consumption | 1929-31 | Sept.  | 123 | 134 | 134 | 151 |
|                      |         | = 100. |     |     |     |     |

TRANSPORT. Buoyant trading conditions and unprecedented industrial activity, coupled with restricted motor transport and inter-state shipping services have caused a great increase in rail, tram, and omnibus traffic. The new payroll tax (C'wealth. for Child Endowment) has increased working costs but in July and August results were better than in any recent year, 1940 only accepted.

New motor sales are very much below normal and the number of motor vehicles on the roads is decreasing. This is due mainly to petrol rationing, the severity of which appears unlikely to be diminished. The installation of producer gas units proceeds only slowly, but additional charcoal-burning plant is being set up so that production can be expanded rapidly if and when required.

|  | 1938 | 1939 | 1940 | 1941 |
|--|------|------|------|------|
|--|------|------|------|------|

GOVERNMENT RAILWAYS

|                   |         |           |      |      |      |      |
|-------------------|---------|-----------|------|------|------|------|
| Passengers        | million | July-Aug. | 31.4 | 29.5 | 30.5 | 34.3 |
| Goods Ton Mileage | "       | "         | 314  | 303  | 469  | 363  |
| Working Surplus   | £000    | "         | 765  | 872  | 1632 | 1279 |

GOVT. TRAMS & OMNIBUSES:

|                                 |              |       |      |      |      |      |
|---------------------------------|--------------|-------|------|------|------|------|
| Passengers                      | million      | "     | 59.2 | 60.4 | 63.7 | 76.0 |
| Working Surplus                 | £000         | "     | 74   | 83   | 126  | 142  |
| <u>NEW MOTOR SALES (N.S.W.)</u> |              |       |      |      |      |      |
| Cars (per week)                 | No. per week | Sept. | 368  | 270  | 118  | 29   |
| Lorries & Vans                  | week.        | "     | 181  | 126  | 63   | 39   |

MOTOR REGISTRATIONS.

|                |     |          |     |     |     |     |
|----------------|-----|----------|-----|-----|-----|-----|
| Cars           | 000 | At Sept. | 207 | 216 | 205 | 191 |
| Lorries & Vans | 000 | 30.      | 74  | 78  | 75  | 75  |

RURAL INDUSTRIES. All through the winter and spring crops and pastures have been maintained by intermittent light rains. Rainfall in October was again below normal in almost all parts of the State and with summer at hand and the subsoil dry, the outlook will be precarious until successive copious rains occur. The first estimate of the N.S.W. wheat harvest is 43 million bushels. This is twice the size of the very poor 1940-41 crop, but even so only approximately two-thirds the average yield of the preceding ten years.

Dairy pastures are unsatisfactory for the time of the year and cream production is much below the usual spring level. Good progress has been made with the appraisal of wool. Indications are that the clip in N.S.W. is somewhat lighter, but quality may prove slightly better this season than in 1940-41. America's purchase of the strategic reserve of wool (and the exceptional level of U.S.A. consumption it reflects) is a development bearing materially upon the wool industry's post-war prospects.

The small increases (of from  $\frac{1}{4}$ d. to  $\frac{3}{4}$ d. a lb.) to operate from Nov. 3, 1941 made in the prices of meat supplied for export to Britain have been welcomed by live-stock raisers.

Because of a shortage of rural labour the calling up of men for militia service from rural areas is being postponed till after the harvest and men already serving are being released on application.

The State Dept. of Agriculture has set up a Division of Agricultural Economics to relate the technical and business aspects of farming and to make surveys into the ordinary, wartime and post-war problems of N.S.W. agriculturists.

## THE WORLD WHEAT SITUATION.

For the present Australia is not being committed on policy to the International Wheat Conference. Indications are that wheat production in exporting countries in 1941-42 will provide an export surplus considerably larger than probable import requirements and end-of-season exportable stocks may exceed 1,500m. bus. on July 31, 1942. German occupation of large tracts of Russian wheatlands may have important effects on the world wheat situation. Australia may have an average harvest, though in N.S.W. the harvest will be below average. World shipments are small. Prices are artificially maintained and in U.S.A. are much higher than elsewhere. The local market is quiet and the export flour trade is depressed.

INTERNATIONAL CONFERENCE. The International Wheat Conference reassembled in Washington, U.S.A. on 13th October, 1941. The Australian representative has been instructed not to commit Australia as to policy for the present but to press for a larger share of the export quota for Australia. The Minister and Assistant Minister for Commerce and the Ministers for Customs and External Affairs have been constituted a sub-committee of Cabinet to consider the whole question of an international wheat agreement. A conference of State Ministers and of wheat-growers' representatives is expected to be arranged.

PRODUCTION, 1941-42. The International Institute of Agriculture (Rome) has estimated European production (ex Russia) in 1941 at 1,460 million bushels. This is 60m. bus. below an earlier estimate by Broomhall. It is about 60m. bus. greater than last year's harvest but otherwise is smaller than in any year since 1931.

### PRODUCTION OF WHEAT IN EUROPE (ex RUSSIA).

|            | Av. 1929-33 | Av. 1934-38 | 1939  | 1940               | 1941               |
|------------|-------------|-------------|-------|--------------------|--------------------|
| Mill. bus. | 1,497       | 1,596       | 1,726 | 1,400 <sup>a</sup> | 1,460 <sup>a</sup> |

(a) Estimates on incomplete data.

The estimates for North America should be subject to only minor corrections. Canada and the United States together have 1,266 m. bus. compared with 1,368m. bus. in 1940. The estimate for U.S.A. was increased to 961m. bus. which is the greatest harvest ever stripped excepting only that of 1915. (For comparisons see B.S. 1941/10A, p.6).

RUSSIA. Particulars of wheat production in the Soviets were difficult to obtain prior to the war. Not even guesses regarding the size of this year's crop have been reported. In recent years Russia has appeared only in a modest way as an exporter of wheat - partly because (it is believed) the consumption of wheat in Russia has been increased substantially. "The entry of Russia into the war and the probable over-running of her vast cereal growing lands by the German juggernaut may lead to a great change in the world's outlook in regard to wheat". The first prophesy of these words of Broomhall written some time ago has been more or less fulfilled; on the south and west the great Ukraine, the Bessarabian and the Crimean wheat lands have been occupied (and with them 40 p.c. of the sugar beet areas of Russia). These lands comprised about one-fifth of Russia's wheat area but produced a considerably greater proportion of the quantity of grain owing to high per-acre yields.

As to this year's harvest nothing is known except that the crops promised well. In this region harvesting usually takes place in July and August. Deliveries were being speeded up in August but how much of the production Russia has been able to move out of the threatened areas on its over-burdened railways and how much of the grain the Russians have been obliged to destroy in the face of the Nazi advance it is impossible to say.

Bereft of these southern wheatlands Russia is unlikely to be able, herself, to fulfil requirements of the Russian people; hence Mr. Broomhall's anticipation that this phase of the war may cause far-reaching changes in the world wheat outlook. Production in the U.S.S.R. as reported was as follows:-

/Av. 1929.....

|            | Av. 1929-33. | Av. 1934-38. | 1938  | 1939  |
|------------|--------------|--------------|-------|-------|
| Mill. bus. | 840          | 1,261        | 1,494 | 1,360 |

ARGENTINA. There were some severe frosts and considerable damage was reported from Western Buenos Aires but latest reports are that crops were recuperating after rains. The main crop matures about a month later in Argentina than in Australia and the weather of the next few weeks can affect the final result in Argentina quite materially. No quantitative estimate is yet available.

AUSTRALIA. The area sown in New South Wales is estimated from returns of the Wheat Stabilisation Board as 4,730,000 acres of which 4,228,000 acres were to be harvested for grain. Production was forecasted by the State Division of Marketing as 43 mill. bus., with a rider that occurrence or absence of rain could change the prospective yield considerably. Queensland expects to harvest only 34m. bus. compared with 5.6 m. bus. in 1940-41. In other States the season has been more favourable and an Australian harvest of upwards of 180m. bus. seems possible. The official estimate of Western Australian production is 36.6m. bus. and 15.6m. bus. greater than in 1940-41. The Military authorities are releasing men for harvesting and police and postmasters have instructions that farmers needing petrol for harvesting are to be permitted to obtain requirements. Only farmers who sowed areas exceeding the average acreage of the past four years are to be required to cut wheat for hay instead of for grain. These farmers have been notified accordingly.

THE SUPPLY SITUATION. The harvests of 1941-42 seem likely to add at least 300m. bus. and perhaps as much as 400m. bus. to the surplus above the current year's import requirements making probable end-of-season exportable stocks in principal exporting countries something over 1,500m. bus. on July 31, 1942. This presupposes world shipments in this year in about the same volume as in the year ended July, 1941, estimated by Broomhall at 328m. bus. excluding Australia. The following table displays the statistical position as nearly as it can be stated:-

#### WORLD PRODUCTION, TRADE AND STOCKS OF WHEAT.

| Season ended July.   | Production (Ex Russia & China) | Exportable Supplies. | Net Imports. | End-of-Season Exportable Stocks. * |
|----------------------|--------------------------------|----------------------|--------------|------------------------------------|
| millions of bushels. |                                |                      |              |                                    |
| 1938                 | 3,818                          | 714                  | 524          | 192                                |
| 1939                 | 4,605                          | 1,138                | 618          | 520                                |
| 1940                 | 4,270                          | 1,324                | 600          | 710                                |
| 1941 *               | 4,035                          | 1,500(?)             | 328(+?)      | 1,172(-?)                          |
| 1942 *               | ?                              | 1,875(?)             | 350?         | 1,525(?)                           |

\* Partly approximation. x In principal exporting countries.

TRADE. In the last five weeks world shipments of wheat as estimated in the trade averaged about 4m. bus. a week compared with the pre-war average of 10 to 11m. bus. a week. Britain is the one remaining big market followed by Spain, Portugal and Eire. The Orient has not maintained its demand for wheat. Importation of foreign wheat in China, Japan and Manchukuo was checked by the Japanese authorities, and now is prevented by the trade ban imposed on Japan by the Democracies. Average imports 1931-32 to 1935-36 (and in 1940-41) were:-

China 35 (31)m. bus.; Japan 20 (5). The Japanese harvest (59.4m. bus.) was 6.7m. bus. smaller this year than in 1940. Ordinarily Australia secured the largest share of the wheat trade with the Orient but in 1940-41 the advantage passed to the United States because it was better able to arrange ocean transport of grain.

In India the duty on wheat imported has been reduced from approximately 1s. 6d. to 1½d. per bushel. India harvested 373.5 m. bus. this year compared with 402.6m. bus. in 1940. This is almost sufficient for domestic needs but the price factor has an important bearing upon wheat consumption in India and the reduction in duty should assist Australia to expand wheat exports to that country.

PRICES. Wheat futures in Chicago fluctuated appreciably during October but ruled at a level over 30 p.c. higher than one and two years earlier. Commodity Credit Corporation loans had been accepted covering 256m. bus. of wheat by Oct. 11 indicating that a larger proportion of the harvest would be pledged to the Government than

in 1940; in that year the 250m. bus. mark was not reached until a month later in the season. Reflecting storage difficulties rates quoted for transit and storage by Great Lakes steamers are  $2\frac{1}{2}$  cents (40 p.c.) higher this year than last year; with freight at 5 cents, the storage proportion has risen from one cent to  $3\frac{1}{2}$  cents a bus.

The storage problem is responsible for the extraordinary premium paid for the more distant futures in both Winnipeg and Chicago markets. Usually the nearer dated futures command the higher price but currently the distant futures are from 5 to 8 cents the higher. Knowing the present difficulty of obtaining storage space speculators show a strong preference for wheat for delivery in May next when a large part of current stocks will have been cleared. A trade report indicates that many people in the United States are buying commodities, including wheat as a hedge against inflationary possibilities and the firmness of the Winnipeg market early in October was attributed in part to United States buying, attracted by the lower price and the exchange premium of the U.S. in terms of the Canadian dollar. Average quotations of December futures in October, 1941 in Chicago (116 $\frac{5}{8}$  cents) and Winnipeg (74 $\frac{3}{4}$  cents) were respectively 32 $\frac{3}{8}$  cents and 3 cents a bushel above those of October, 1940. Prices on the London Baltic Exchange have been very steady for many months. Freight rates vary considerably from time to time and without knowledge of these charges (which enter into these prices, and are c.i.f. London) the significance of prices except from the standpoint of consumers is not clear.

#### PRICES OF WHEAT PARCELS - LONDON BALTIC EXCHANGE.

|   | June,<br>1937.     | Oct.,<br>1938.      | Oct.,<br>1940. | July,<br>1941.     | Sept.,<br>1941. | Oct.,<br>1941. |
|---|--------------------|---------------------|----------------|--------------------|-----------------|----------------|
| Shillings and pence per quarter (8 bus.) (End of month) |                    |                     |                |                    |                 |                |
| No. 1 Manitoba  | 51 7 $\frac{1}{2}$ | 25 10 $\frac{1}{2}$ | 32 9           | 31 4 $\frac{1}{2}$ | 31 3            | 31 0           |
| Rosafe (A'tine.)  | n.q.               | 22 6                | 18 9           | 21 0               | 21 3            | 21 6           |
| Sth. Australian   | 45 0               | 25 3                | 25 6           | 27 6               | 27 6            | 27 6           |
|   | n.q. not quoted.   |                     |                |                    |                 |                |

LOCAL TRADE. The local market has been very quiet, and dependent upon demand for wheat for produce and the local flour trade. A slight alteration was made in the price of wheat in produce trade (a reduction of  $\frac{1}{2}$ d. a bus. for truck lots inside wheat belt). On Oct. 22 the price of wheat for flour for export to the Pacific Islands was increased by 4d. to 4s. 3 $\frac{1}{4}$ d. a bus. bringing it into line with that charged in respect of flour for Eastern and Middle Eastern destinations. All wheat has not yet been cleared from Nos. 2 and 3 pools (1939-40 wheat). For silo wheat for local flour the Wheat Board's price has been 3s. 11 $\frac{1}{4}$ d. per bushel ex trucks, Sydney since August 5, 1940. This is 75 p.c. higher than in August, 1939. The course of wheat prices in Sydney was:-

#### PRICES OF BULK WHEAT - SYDNEY.

Monthly Averages - Per bushel, ex trucks, Sydney  $\frac{1}{4}$

Excluding bounty and including storage charges when payable.

| Season ended<br>November. | Av. for<br>Season. | Dec.               | June               | July               | Aug.               | Sept.              | Oct.               |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                           | s. d.              |
| 1933-34                   | 2 9                | 2 7                | 2 9                | 2 11               | 3 3                | 3 0                | 2 8                |
| 1936-37                   | 5 3                | 5 4                | 5 1                | 5 7                | 5 3 $\frac{1}{2}$  | 5 3                | 5 3 $\frac{1}{2}$  |
| 1938-39                   | 2 5                | 2 6                | 2 5                | 2 3 $\frac{1}{2}$  | 2 3                | 2 9                | 2 8                |
| 1939-40                   | 3 10 $\frac{1}{2}$ | 3 5                | 4 0                | 4 0                | 3 11 $\frac{1}{4}$ | 3 11 $\frac{1}{4}$ | 3 11 $\frac{1}{4}$ |
| 1940-41                   | -                  | 3 11 $\frac{1}{4}$ |

$\frac{1}{4}$  Shippers' offers to Dec., 1939; Aust. Wheat Board's price for wheat for local flour subsequently.

Particulars of advances made to wheatgrowers by the Australian Wheat Board were given in B.S. 1941/10A at p. 7.

FLOUR. Orders for flour for export have been insufficient to keep local flour mills fully occupied, and not enough bran and pollard has been available to meet

/local.....

local requirements. The Minister for Agriculture disclosed that of 57 mills in New South Wales 14 were closed, 32 were working intermittently and only 11 were working full time. A scheme to enable all mills to resume work is being submitted by the Minister to the State and Commonwealth Governments. Apparently the lack of shipping to move flour is the main cause of the depressed condition of the flour export trade.

Exports of wheat and flour from Australia in the year ended June, 1941 were £3,925,000 greater in value than in 1939-40. Particulars of quantities are not available nor can corresponding information for New South Wales be published.

VALUE OF EXPORTS OF WHEAT AND FLOUR FROM AUSTRALIA.

| (in £000) exports of wheat and flour | 1937   | 1938   | 1939   | 1940   | 1941   |
|--------------------------------------|--------|--------|--------|--------|--------|
| Wheat                                |        |        |        |        |        |
| Flour                                |        |        |        |        |        |
| Total                                | 24,262 | 26,939 | 13,275 | 12,788 | 16,714 |